



San Diego County Water Authority

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RTD-285

September 30, 2017

Randy Record, Chairman
Jeff Kightlinger, General Manager
Metropolitan Water District of Southern California
P. O. Box 54153
Los Angeles, CA 90054-0153

MEMBER AGENCIES

- Carlsbad Municipal Water District
 - City of Del Mar
 - City of Escondido
 - City of National City
 - City of Oceanside
 - City of Poway
 - City of San Diego
 - Fallbrook Public Utility District
 - Helix Water District
 - Lakeside Water District
 - Olivenhain Municipal Water District
 - Otay Water District
 - Padre Dam Municipal Water District
 - Camp Pendleton Marine Corps Base
 - Rainbow Municipal Water District
 - Ramona Municipal Water District
 - Rincon del Diablo Municipal Water District
 - San Dieguito Water District
 - Santa Fe Irrigation District
 - South Bay Irrigation District
 - Vallejos Water District
 - Valley Center Municipal Water District
 - Vista Irrigation District
 - Yuima Municipal Water District
- OTHER REPRESENTATIVE
- County of San Diego

RE: California WaterFix - Request for Documents

Chairman Record and General Manager Kightlinger,

The MWD Board is being asked to vote on October 10 to approve MWD's participation in California WaterFix, including authorizing the General Manager to execute three separate implementation agreements that would allow actions to be taken and costs incurred, even though MWD is the only major participant. While I can understand the motivation to express support for the project, I do not understand why we would authorize staff to sign implementation agreements when we don't know all of the important terms of the agreements, nor which state and federal contractors will actually be participating in the Project. What we do know is that there is a multi-billion funding gap at this time, resulting in part but not exclusively from the Westlands Water District recent board vote declining to participate in the project.

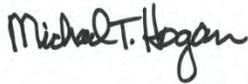
I read with concern a recent summary prepared by Santa Clara Valley Water District staff, describing terms and summarizing risks under the implementation agreements that have not been provided to or discussed by our Board of Directors. Among other things, there is apparently an option for state contractors to receive a proportionate share of project benefits under the existing contract, without participating in the financing authority that will provide funding unless and until DWR bonds are validated. It appears from the summary that the only parties who bear the financial risks associated with construction of the project (including the risk it may never be permitted to operate), are the contractors that join the financing JPA. There apparently are also terms and provisions relating to DWR's transfer of ownership of portions of WaterFix facilities, which have also not been discussed at MWD board meetings, presentations or workshops.

Director Steiner requested during the September 26 special meeting to be provided

with copies of the agreements staff is requesting authority to execute in Board Memo 8-4, dated October 10, 2017. It was my understanding the General Manager's answer was that he will not provide copies of these agreements to board members, because that is not the MWD staff's "customary practice."

I have reflected on this matter and am asking again to be provided with copies of the documents that are the subject of Board Memo 8-4. We are now 11 days away from a Board vote on a multi-billion investment and long-term legal obligation. I will not vote on the actions recommended by staff if it refuses to provide copies of these agreements because I do not believe that I am able to meet my obligation as a board member or to the public and ratepayers I serve without access to this information. It is not sound public policy for the Board not to be able to review the draft agreements before voting on a project of this magnitude.

Sincerely,

A handwritten signature in black ink that reads "Michael T. Hogan". The signature is written in a cursive, slightly slanted style.

Michael T. Hogan
Director

cc: MWD Board of Directors
Water Authority Board of Directors